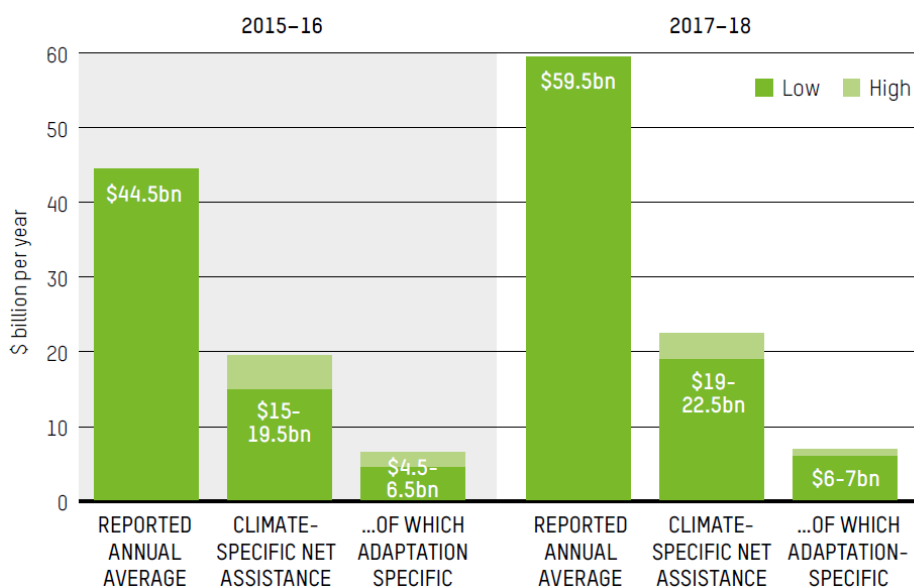


ADDITIONAL INFORMATION TO OXFAM'S CLIMATE FINANCE SHADOW REPORT 2020

In its *Climate Finance Shadow Report 2020*, Oxfam presents an estimate on *Climate-Specific Net Assistance* as shown in Figure 1,¹ as a better reflection of the net support value specifically directed at mitigation or adaptation in developing countries. The estimate is based on a methodology described in the *Climate Finance Shadow Report* that re-assesses reported finance on two key factors. First, climate finance coming in the form of loans is usually accounted for at face value and not by their grant equivalents, which in Oxfam's view is a better proxy for the financial benefit to recipient countries and hence a more suitable measurement in the context of the financial obligations under the UNFCCC and the Paris Agreement. Second, in Oxfam's view, reported climate finance often overstates the climate-relevance of provided funds due to the generous accounting methodology.

Oxfam's 'Climate-Specific Net Assistance' (CSNA) aims to estimate the net value of provided support specifically directed at climate action.

Figure 1: Developed countries' reported climate finance versus Oxfam's estimate of 'climate-specific net assistance' (2017–2018 and 2015–16 annual averages)



¹'Reported Annual Average' reflects Oxfam's estimate of the climate finance reported and attributable to developed countries based on bilateral finance as per the UNFCCC Biennial Reports² and using multilateral outflows data as compiled by the OECD.³

CLIMATE-SPECIFIC NET ASSISTANCE

Discounting for these two aspects, Oxfam estimates *Climate-Specific Net Assistance* to have amounted to \$19-22.5 billion a year, on average annually

over 2017 and 2018 (see figure 1 above). Table 1 shows the breakdown of the overall estimates by channel and instrument groups.

Table 1: Climate-Specific Net Assistance by channel and instruments

Channel	Low-end estimate	High-end estimate
<i>Bilateral grants</i>	\$9.51 billion	\$11.61 billion
<i>Grant equivalents of bilateral non-grants (loans etc.)</i>	\$3.65 billion	\$4.84 billion
<i>Grants from multilateral development banks (MDBs)</i>	\$0.43 billion	\$0.43 billion
<i>Grant equivalents of MDB non-grants</i>	\$3.88 billion	\$3.88 billion
<i>Other multilateral grants</i>	\$1.13 billion	\$1.32 billion
<i>Grant equivalents of other multilateral non-grants</i>	\$0.32 billion	\$0.38 billion
Total	\$18.92 billion	\$22.45 billion

Source: Own calculations based on OECD data [see endnote 3]. The methodology is described in further detail in the *Climate Finance Shadow Report 2020*.

METHODOLOGY SNAPSHOT

Oxfam’s estimate is based on the OECD’s compilation of bilateral and multilateral climate-related development assistance (see endnote 3). In principle, to estimate climate-relevance, programmes and projects marked with at least one ‘principal’ Rio marker of 2 were assumed to be 100% climate-relevant. Projects where a ‘significant’ Rio marker set at 1 was the highest allocated marker were assumed to be 30-50% climate-relevant. MDBs do not utilize the Rio marker approach and report only the climate-relevant share of their finance to the OECD; as such, all MDB outflows, as compiled by the OECD, have been assumed to be climate-relevant. Bilateral outflows provided using concessional non-grant instruments, such as loans, have been adjusted for their grant equivalence using developed countries’ own reporting of grant equivalent disbursements to the OECD. MDB outflows provided using concessional non-grant instruments, such as loans, were adjusted for their grant equivalence by assuming the average grant equivalent of climate-related development loans as reported to OECD DAC by developed countries. Non-concessional instrument as well as mobilized private finance were assumed to have a grant equivalent of zero. *The methodology is described in more detail in the Climate Finance Shadow Report 2020.*

NOTES

¹ T. Carty, J. Kowalzig and B. Zagema. (2020). *Climate Finance Shadow Report 2020: Assessing progress towards the \$100 billion commitment*. Oxfam. See <https://www.oxfam.org/en/research/climate-finance-shadow-report-2020>

² See United Nations Climate Change. *Fourth Biennial Reports – Annex I*. <https://unfccc.int/BR4>

³ Using data from OECD. *Climate Change: OECD DAC External Development Finance Statistics*. Available at: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm>